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STATE DOCUMENTS

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ANNUAL REPORT  
OF THE  
DEPARTMENT OF AGRICULTURE



TO THE  
GOVERNOR OF MONTANA  
HONORABLE FORREST H. ANDERSON

FOR THE  
FISCAL YEAR ENDED  
JUNE 30, 1970.

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STATE OF MONTANA  
DEPARTMENT OF AGRICULTURE

GEORGE LACKMAN  
COMM. HEAD  
CAPITOL ANNEX BUILDING

TELEPHONE  
AREA CODE 406  
44-3144

HELENA, MONTANA 59601

The Honorable Forrest H. Anderson  
Governor  
State of Montana  
Helena, Montana 59601

Dear Governor Anderson:

In accordance with the requirements of Section 84-4002, R.C.M. 1947,  
I am transmitting fiscal information to you in the report of the  
Department of Agriculture covering the fiscal year ended June 30, 1970.

The Montana Department of Agriculture through practical implications, has reorganized their programs, and coordinated their efforts toward developing new techniques for selling Montana farm products and establishing new markets for such products. Identifying and recommending solutions to the States agricultural problems for economic growth now and in the future. Providing producers with pertinent data where by they may continue to supply wholesome food for the benefit of the consumer.

Through our regulatory powers, the department assumes an active role in protecting the consumer. Inspection of all fresh fruits, vegetables, and nursery stock, both exported and imported. Enforce the laws regulating the standards of all dairy products, except whole milk. The responsibility of testing all weighing and measuring devices used for buying and selling commodities in Montana. Registration, analyzation and labeling of medicated feeds, commercial feeds, and fertilizers distributed in the State. Provide grain grading, protein testing, sedimentary value and official weighing services for the grain industry.

We recommend the consolidation of the departments of the agency under one roof, to allow greater control and better administration.

Respectfully Submitted,

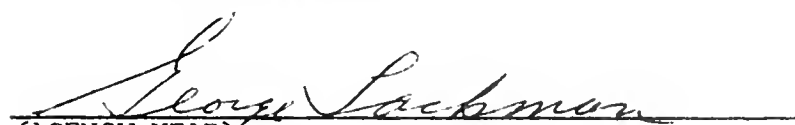
  
(AGENCY HEAD)



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DEPARTMENT OF AGRICULTURE  
PRINCIPAL ADMINISTRATIVE OFFICERS

GEORGE LACKMAN, COMMISSIONER  
Capitol Annex Building

Helena, Montana

Eldon R. Fastrup, Marketing Coordinator

Charles R. Meyer, Administrative Officer

Cato Butler, Administrative Assistant

Commercial Feed & Fertilizer  
(Bozeman, Montana)

Burton E. Ginther, Chief

Dairy & Egg  
(Sam W. Mitchell Building)

Thomas F. Lofthouse, Chief

Grain Laboratory  
(Great Falls, Montana)

George F. Angermeier, Chief

Horticulture  
(Missoula)

Gerald N. Kaiser, Chief

\*Real Estate  
(504 Lamborn)

George Schneller, Executive  
Secretary

Weights & Measures  
(Sam W. Mitchell Building)

Gary L. Delano, Chief

\*Wheat Research & Marketing  
(Great Falls, Montana)

Robert Brastrup, Executive  
Secretary

Agricultural Statistics  
(Steamboat Block)

Cooperative Agreement with  
U. S. Department of Agriculture





*Real Estate Commission	Term	
George Lackman, Chairman 2023 8th Avenue	4-1-69/3-31-73	Helena
James Burgess 305 East Front	3-18-70/3-17-74	Butte
Frank Grady 110 East Broadway	3-18-68/3-17-72	Missoula
Joseph Mudd 1st National Bank Building	3-18-69/3-17-73	Great Falls
Curtiss Phipps 804 Broadwater Ave	3-18-67/3-17-71	Billings

\*Wheat Research & Marketing Commission

V. J. Thuesen, Chairman Post Office Box	8-20-67/8-19-71	Dagmar
Harold C. Nelson, 704 3rd Street S.E.	8-20-67/8-19-72	Cut Bank
George Skarda Box 1022	8-20-67/8-19-69	Denton
Norris Hanford	8-20-67/8-19-68	Fort Benton
Glenn Moore	8-20-67/8-19-75	Willard
Loyd Mosdal	8-20-67/8-19-71	Rapelje
Jack E. Lang 20 South 4th Street E.	8-20-67/8-19-72	Malta

Ex-Officio Members:

George Lackman, Commissioner of Agriculture Capitol Annex Building	Helena
Dr. J. A. Asleson, Dean of Agriculture Montana State University	Bozeman
Oliver Thorvilson, Peavey Company Box 1528	Great Falls



## LEGAL REFERENCES

The Constitution, in Section 1, Article XVIII, provides for the Department of Agriculture. This Department is under the control of the Commissioner of Agriculture, who is appointed by the Governor, subject to confirmation of the Senate, for a term of four years. The purpose of the Department of Agriculture is to encourage and promote the interests of agriculture and allied industries in Montana. The duties and powers of this department are enumerated in Section 3-107, R.C.M. 1947.

ADMINISTRATION - The Administration Program is responsible for the coordination of all the activities carried on in the department. This includes fiscal and accounting services for the entire department, personnel activities including recruitment, orientation, and training, and compilation and distribution of agricultural information. The administration of the Rural Rehabilitation Laws (Section 3-2801, R.C.M. 1947) is also a function of the Administration Program. This program is financed by General Fund appropriation.

Agricultural Statistics - Agricultural Statistics is a cooperative program carried on by the Montana Department of Agriculture and the U.S. Department of Agriculture. The purpose is to prepare county estimates of all crop and livestock items produced in Montana. The information is then published and distributed in bulletin form. Funding for this program is derived from General Fund appropriations and matching monies from the Federal Government.

COMMERCIAL FEED & FERTILIZER - This program, under the direction of the Commissioner of Agriculture, administers the Commercial Feed and Fertilizer Laws (Section 3-1701 through 3-1728 and 3-2001 through 3-2024, R.C.M. 1947). These laws provide for the registration, analyzation, and labeling of commercial feeds and fertilizers distributed in the State of Montana. The program is supported by the appropriations of fees collected for the administration of this program. The fees collected are deposited into the Earmarked Revenue Fund.

DAIRY DIVISION - The Dairy Division is responsible for the regulation and sanitary inspections of all creameries, butter and cheese factories, milk and cream receiving stations, and frozen dessert factories. This division enforces laws regulating the standards of all manufactured dairy products, except whole milk, skim milk and condensed or evaporated milk (Sections 3-2401 through 3-2403, R.C.M. 1947). The Dairy Division is also responsible for the enforcement of the Egg Grading Law (Section 3-2301, R.C.M. 1947) and the Oleomargine Law (Section 27-501, R.C.M. 1947)

GRAIN LABORATORIES - The Grain Laboratories provide grain grading, protein testing, sedimentary value and official weighing services for the grain industry, in accordance with Chapter 2, Title 3 R.C.M. 1947. The program is carried out in two laboratories located in Great Falls, and Bozeman. Mustard seed is also graded at Great Falls under the provisions of Chapter 19, Title 3, R.C.M. 1947. The program is operated on a self supporting basis. Appropriations for operations are made from fees collected. Five percent of gross revenue is deposited into the General Fund.



Horticultural Inspection & Quarantine Service - The Horticultural Inspection and Quarantine Service was established under Law 3-109.1 R.C.M. 1947. The purpose of the Horticulture program is to enforce the laws of the State of Montana relative to the grading and marketing of vegetables and nursery stock, control and destruction of insect pests, and the licensing of persons engaged in the business of selling or importing fruits, trees, plants, or nursery stock. In addition, the Horticulture Program provides horticulture inspection services. This program is supported by appropriations from the General Fund and Highway Account in the Earmarked Revenue Fund.

Marketing Coordinator - This program established by the 1969 legislature (Section 3-116, R.C.M. 1947) created the position of Agricultural Marketing Coordinator under the supervision of the Commissioner of Agriculture. The Marketing Coordinator coordinates marketing from initial producer to consumer to reduce marketing costs by way of securing a means of more efficiently marketing products. The coordinator develops new and improved systems of marketing to stabilize and improve returns for industry and producer. This includes coordinating work with local, state and national planning groups in helping to identify major needs as well, as gathering and disseminating information concerning supply, demand, favorable marketing information, prevailing prices and changes in marketing movements, practices and rates.

Montana Real Estate Commission - The status relating to the operations of the Montana Real Estate Commission are contained in Sections 66-1924 through 66-1946, and in Sections 67-2101 through 21-2136, R.C.M. 1947. The provisions of the Real Estate Licensing Act includes procedures for application, qualification, bonding, licensing, supervision and regulation of real estate brokers and salesmen. The provisions of the Subdivision Act provide for the registration of intrastate land offered for sale out of state. The provisions of the Foreign Land Sales Practices Act provide for the registration of all land situated out of state offered for sale in Montana.

Weights & Measures - The Weights and Measures program is charged by law (Section 90-125, R.C.M. 1947) to test all weighing and measuring devices used for buying and selling commodities in this state. This includes such items as balances, scales, petroleum meters and containers. In addition, quantity control of pre-packaged items and quality control of petroleum products are under the supervision of this program. The program is basically supported by a General Fund appropriation. All fees collected under the laws administered by this program are deposited into the state's General Fund, with the exception of reimbursement for special inspections. Special inspection charges are deposited into the Revolving Fund, Agriculture Department Account.

Wheat Research & Marketing - The Wheat Research and Marketing Division established under Section 3-2901 R.C.M. 1947 provides a policy to benefit the people of the State of Montana by encouraging and promoting intensive scientific and practical research into all phases of wheat culture and production, marketing and use into the development of markets for wheat grown in Montana.



### PRINCIPAL GOALS

The Department of Agriculture's principal goal is reorganizing and consolidating the divisions within the agency under one roof. The purpose is to provide better supervision and greater control of the divisions which would bring about greater efficiency and cut operating costs.

The objective of the Agency is to encourage and promote the interests of agriculture and Agri-Business in Montana, and allow allied interests to prosper and benefit from our Marketing and Regulatory Services.

Through the divisions of the agency it is our aim to increase income to the farmers and ranchers and provide a more wholesome food supply to the consumers.

One of our objectives is to carry on a good training program to bring about consolidation of inspection among divisions wherever feasible which will result in improved service and reduce operating costs.

The agency is exploring the practical implications for the Agricultural Sector in resolving the pollution problem.

Our efforts will be to co-ordinate maximum farm and marketing procedures, develop new techniques for selling Montana farm products and establish new markets for such products.





PROGRAM INVENTORY AND COST SUMMARY

	<u>COST</u>
DEPARTMENT OF AGRICULTURE	1969-1970 F.Y.
ADMINISTRATION	\$ 74,075
AGRICULTURAL STATISTICS	27,135
COMMERCIAL FEEDS & FERTILIZER	68,219
DAIRY	64,535
GRAIN	217,367
HORTICULTURE	149,881
WEIGHTS & MEASURES	122,956
WHEAT RESEARCH & MARKETING	118,088
MARKETING COORDINATOR	4,769
RURAL REHABILITATION	40,000
TOTAL	<u><u>\$887,025</u></u>



## MAJOR ACCOMPLISHMENTS

Achievements - During the 1969-1970 calander year, cash receipts from Agricultural Marketing and government programs totaled \$610 million dollars. Montana farms and ranches provided employment for many more.

The Montana Department of Agriculture has instituted programs through its divisions to protect both producers and consumers in the state.

The division of Weights and Measures has implemented a new regulatory service by constant supervision of sugar beet tare houses and analyzing sugar content of beets grown in Montana.

The Dairy and Egg Division has instituted a monitoring and surveillance service of milk sampled on dairy farms, where whole milk samples would go into the manufacturing of dairy products.

The Feed and Fertilizer Division has made analyses of wheat fruit and vegetables collected at random throughout the state for pesticide residues.

In addition, the Department of Agriculture consolidated the State Grain Laboratories to reduce costs and increase control over grain inspections. Some field offices in the Horticulture and Quarantine Service were relocated and consolidated, resulting in a considerable savings to the State. This also implemented and improved the system of field reports to the department, resulting in greater control in administrative procedures.



The Ad-Hoc Committee was formed in hopes that harmony would prevail among the different farm organizations within the state and an approach to agricultural and agri-business problems would be made with a consolidated effort.

Representatives who participated at the meeting were from the following organizations:

- Montana Chamber of Commerce
- Montana Department of Agriculture
- Montana Citizens Freight Rate Association
- Montana Farmers Union
- Montana Grain Growers Association
- Montana Wheat Research and Marketing Committee
- National Farm Organization
- Montana State Grange
- Montana Farm Bureau Federation
- Montana Association of Farmers Elected Committeemen

The meeting was a first for the Montana Department of Agriculture, as all participating members met together to solve their differences for the benefit of producers and consumers alike.



MAJOR RECOMMENDATIONS

## 1. PROGRAM: NEW BUILDING

REQUIRED IMPLEMENTATION ACTION: LEGISLATIVE

PRIORITY RATING: 1 of 2

CATEGORY: INCREASING EXISTING SERVICES

Recommendation - An approximate amount of \$750,000 should be appropriated to build a new building for the Department of Agriculture, for the purpose of consolidating the divisions within the agency wherever possible for better administration.

Discussion - The goal of the department is to provide better supervision and increased control of the divisions which would bring about improved services and result in greater efficiency. In addition, the Federal Government is making available to the State of Montana through our division of weights and measures, laboratory measuring and weighing devices valued around \$90,000. There is not adequate facilities or a desirable location for this additional laboratory equipment at the present time.

## 2. PROGRAM: CONSOLIDATION OF AGENCY FUNCTIONS

REQUIRED IMPLEMENTATION ACTION: LEGISLATIVE

PRIORITY RATING: 2 of 2

CATEGORY: PROVIDING GREATER AUTHORITY TO ADMINISTER EXISTING PROGRAMS.

Recommendations: The revision of Section 3-2401, R.C.M. 1947, to include the sanitary inspection of dairies, milk plants, condensed milk factories; and the revision of Section 3-2402, R.C.M. 1947 to include the enforcement of the laws of the state regulating the standards of all dairy products and whole milk, skimmed milk, condensed or evaporated milk, whether made from whole milk or skimmed milk - the former shall be administered in full by the Montana Department of Agriculture and the latter Section 3-2402 shall be the full duty of the Montana Department of Agriculture.

Discussion - Under Section 3-2486, R.C.M. 1947; the Commissioner of Agriculture is given the authority to administer the dairy products act and to promulgate all reasonable regulations consistent with the act. Since there are duplications in the administering of and application of the regulatory laws for the Dairy Industry in the state of Montana; the Department of Agriculture desires that full authority be given the agency to administer, regulate, and apply the official standards for the dairy industry in Montana by deleting the state livestock sanitary board from the two Sections 3-2401 and 3-2402.





## MAJOR RECOMMENDATIONS

PROGRAM: AUTOMATIC ASSESMENT WITH REFUND PROVISION

REQUIRED IMPLEMENTATION ACTION: LEGISLATIVE

PRIORITY RATING: ADDITION TO-3.

CATEGORY: PROVIDING GREATER AUTHORITY TO ADMINISTER EXISTING PROGRAMS.

Revised Codes of Montana 1947 (1979 Supplement) Chapter 29 --  
Wheat Research and Marketing.

Recommendation - (Present Law) Section 11. There is hereby levied an annual assesment of two and one half  $2\frac{1}{2}$  mills per bushel upon all wheat grown in the state of Montana, and sold through commercial channels beginning August 20, 1967. The assesment is hereby levied and imposed on each grower of wheat in the state of Montana.

Discussion - (New Provision) (4) At any time after thirty (30) days from the deduction of the assesment and before the expiration of ninety (90) days following such deduction by the first purchaser or the first lender, the grower may, upon the submission of a written, verified request therefor to the administrative committee through the commissioner of agriculture obtain a refund in the amount of the assesment deducted by said first purchaser or said first lender, less one percent (1%) of the amount. The request shall be accompanied by the original invoices received by the grower at the time of settlement. The Wheat Research and Marketing division shall keep complete records of all refunds made under the provisions of this act. Records of refunds may be destroyed two (2) years after the refund is made. All original invoices shall be returned to the grower with the refund payment.

## Additional Explanation

The new provision would be added language to the present law, becoming enumerated paragraph (4) under Section 13.



## ANALYSIS OF PROGRAMS

## AGRICULTURAL MARKETING COORDINATOR

In terms of prefatory remarks it should be noted the Agricultural Marketing Coordinator position was filled and operative for only the last four months of fiscal year 1969-1970 (March through June).

SERVICES PROVIDED. Identification of major needs in the agricultural marketing system. Perform necessary research of the problems in order to develop marketing programs directed toward a solution of these needs. To implement sources of, and disseminate information relating to supply-demand conditions, prevailing prices, transportation rates, and structural changes in the marketing system. Develop and coordinate programs which assist producers and distributors in the economical and efficient distribution of agricultural product at equitable prices.

OBJECTIVES. Programs which improve the agricultural product marketing system through new market development, market expansion, and reduced marketing costs all result in the stabilization and improvement of returns to the producer. Considering Montana's marketing locations, the primary nature of our products, and lack of competing transportation modes; a healthy, viable agriculture will best be achieved through improved marketing.

TARGET GROUPS. The services of the Marketing Coordinator are directed towards the total agricultural sector of our economy. The immediate recipients will be individual producers, marketing and service cooperatives and processors. However, consumer groups will also benefit from improved efficiency.

ACHIEVEMENTS. Research was conducted, drafted and submitted to the Interstate Commerce Commission in a Verified Statement of Protest to Ex-Parte #265, Increased Rail rates in 1970. While the statement was not successful in stopping the rate increase, it was a factor in the I.C.C. decision to investigate the total rail rate structure.

Implementation of a reporting system whereby the Bureau of Customs provides data relating specifically to Canadian grains entering Montana. This information was not available previously, yet it is an important factor in "supply-price relationship".

Cooperative action is underway with the Foreign Agricultural Service (USDA) to participate in a system which provides joint referral of foreign trade inquiries. This computer system will match foreign buyers with local potential suppliers in an effort to expand export markets for all our products.

Federal-State matching fund marketing service programs which are now under way will collect and disseminate specialized marketing intelligence information for use by Montana producers and buyers of Montana products.

Wheat Quality Project - Wheat quality factors, protein, test weight, moisture, and grade are collected and published by County for both winter and spring wheat. The data generated from this program provides all buyers with accurate information on which to base quality premium values. Premiums paid by grain buyers significantly increase the income derived from wheat marketing.



Wheat Varieties Project - Variety information is tabulated, summarized and released by counties. Results of the survey aid producers in determining acceptance trends for both established and new varieties.

Grain Mode of Transportation Project - A quarterly reporting system showing direction and mode of shipment of grain moving out of state has been initiated. This information relating to marketing and general geographical destination of the competing modes of transportation are necessary for analysis of the impact of changing market shares and freight rates on the Montana grain sector.

Cattle Movement Project - This project provides a unique type of market intelligence to livestock marketers. By knowing how many Montana cattle are sold, and when and where they are marketed, growers are better able to increase their net income from direct sales. They have a sound basis for determining when and where cattle are marketed. In addition, buyers and feeders can readily locate sources of supplies of cattle.

COST AND PERFORMANCE SUMMARY.

	.....FISCAL YEARS.....		
	1967-68	1968-69	1969-70
COST.....\$	0.00	\$ 0.00	\$ 4769



## ANALYSIS OF PROGRAMS

### DAIRY AND EGG

SERVICES PROVIDED. The four basic programs administered by this division are the dairy, egg, oleomargarine, and hatching programs.

- (a) The dairy program involves quality control of those dairy products referred to as manufactured. Although our laws do not spell out the all inclusive meaning of the word "manufactured", it traditionally has meant butter, cheese (except cottage cheese), ice cream, sherbets, ice milks, water ices, frozen desserts (both animal and/or vegetable fat), and certain imitation dairy products. This program exerts control of the products and procedures through licensing of milk haulers, graders, Babcock butterfat testers, cream stations and the manufacturing plants.
- (b) The egg program involves all eggs in the state which are subject to regrading at the wholesale and retail level. The department sells egg seals. The only eggs which receive inspection at the source are the Montana Quality or otherwise known as the Gold Seal eggs.
- (c) The oleomargarine program is one which has not presented major problems and as a consequence, it has not been developed to more than a program of purely licensing.
- (d) Our hatchery program involves licensing of them and the chick and/or poultry dealers. Flock testing is a function of the Montana Livestock Sanitary Board.

OBJECTIVES Plans call for an automated system of multiple licensing which will save time and money once the system is set up. We also plan to adopt modern, meaningful regulations which now are almost completely lacking. We also wish to extend our authority to inspect dairy farms producing milk and cream for manufacturing purposes. Our plans also call for the licensing of each egg producer and requiring that his name be placed on egg containers containing eggs of his own production. We also propose that each container of eggs packed by an egg packer include the name or coded name of the producer facility. We also propose to have minimal regulations concerning the production, washing, sanitizing and packing, storing, handling and display of eggs, although this may not be for a few years.

We should also be checking weights and bacteriological quality of novelties such as ice cream bars, ice cream on a stick, water ices, popcicles, fudgecicles, etc.

ACHEIVEMENTS Although from September 15 to the present, the basic programs have remained unchanged, proposed administrative change has undergone much discussion. We have discontinued the sale of egg seals in the field with the office now handling mail outs. We have consolidated report forms from five to a single report. We have consolidated our daily activity reports into weekly activity reports. We have begun taking





milk samples on a surveillance or monitoring basis and have had bacterial counts run on them reporting the results to the dairymen and cheese plant operators.

Total mileage of four field sanitarians and that accumulated on the state car involved 57,213 miles in order to carry out the division's programs and activities from July 1969 through May 1970. From July 1969 to present, the following activities were accomplished:

Store inspections.....	510
Creamery inspections.....	85
Cases of eggs inspected.....	5654
Quality pick up (Bacteriological .....	343
Bulk Tank trips.....	65
Wholesale butter, oleo inspections.....	35
Hatcheries inspected.....	10
Routine Bacteriological exams.....	448
Butterfat tests.....	1475
Gold Seal Farm inspections.....	50
Chick dealers inspections.....	10
Babeock and egg graders licensed (new).....	15
Butterfat tests (Surprise pick up).....	70
Counter freezer inspections.....	410
Weight checks-butter, oleo and ice cream.....	9682

#### FISCAL YEARS

	1967-68	1968-69	1969-70
COSTS	\$67,232	\$70,190	\$64,535



## ANALYSIS OF PROGRAMS

### FEED AND FERTILIZER

SERVICES PROVIDED The feed and Fertilizer Division is responsible for the general administration of the Commercial Feed and Fertilizer Laws. This requires:

1. Registration of products.
2. Collection of inspection fees.
3. Surveying and inspecting distribution points.
4. Collection of official samples of products offered for sale.
5. Performing chemical analyses on official samples to determine the degree of compliance with guarantees.
6. Publishing the data concerning distribution of fertilizer and analytical results on official feed and fertilizer samples.
7. Taking appropriate action when non-compliance is detected.

OBJECTIVES A cooperative medicated feed plant inspection program was started with FDA. This program when fully operative will provide FDA reports of inspections made of Montana plants and we will be making more comprehensive inspections of the plants under federal authority than is now authorized by state law. These inspections will provide us valuable information as to where possible errors in formulation may be occurring. At years end a new Auto Analyzer was purchased to be used initially for the partial automation of the analysis of P205 in fertilizers and phosphorus in feeds.

The sampling of commercial feeds will probably be reduced by 25% to 40% with the emphasis on high risk products. The sampling of fertilizers will be increased by perhaps as much as 50%. The change in emphasis is partially because of the source of revenue to operate the division and because added instrumentation will allow expanded service in fertilizer analysis, without the use of increased manpower. Increased sampling and analysis is needed since the use of fertilizer has increased over three fold in the past six years. We expect to broaden our analytical capabilities in feed by including other elemental analysis and one or two more drugs during the coming year. It is our intention to provide more rapid reporting of analysis from the time of sampling so that regulatory action can be taken, if it is indicated, before the product is consumed.

Our long range goal would be to obtain sufficient funding to staff and equip the laboratory to do a complete analysis on most feeds and fertilizers. We would like to get our work moving through so there would be no more than a three week lag from the time of sampling to the time of reporting and about a maximum of 1½ weeks from the time of sampling to the time of first indication of deficiencies if they occur. To utilize this additional lab service as it should be regulatory wise, one will need to be able to call in on any dealer in the state within a day of the time



OBJECTIVES.(cont.) deficiencies are indicated. This means a vastly improved system of surveillance is needed. It is quite probable that additional technical administrative help will be required to prevent time lags in handling of registration and other administrative details. In brief, the goal is to improve operations to the point that a first class job of control can be provided. This would help provide the consumer of meat products protection from drug residues, the purchaser of feed and fertilizer products from inferior or hazardous products.

ACHIEVEMENTS. During July of 1969 a new chemist position was filled. This chemist has now become fully acquainted with our laboratory work.

During the year the atomic absorption spectrophotometer which we have a part interest in was placed in service doing elemental analyses for zinc, manganese, copper, calcium and magnesium on feed and fertilizer samples. A relatively small analytical survey program was undertaken to determine to what extent a few selected raw agricultural products produced in Montana where pesticides were known to be used might be contaminated. Essentially all products surveyed showed little or no residue content. When residues were indicated they would be well below FDA tolerance levels.

.....FISCAL YEARS.....

	1967-68	1968-69	1969-70
COSTS...	\$ 55,719	\$ 50,956	\$ 68,219



## ANALYSIS OF PROGRAMS

### STATE GRAIN INSPECTION LABORATORIES

SERVICES PROVIDED. The Montana Grain Inspection Laboratory, Division of the Montana Department of Agriculture, provides Grain Grading, Protein Testing, Sedimentation Value and Official Weighing services to the grain industry.

The quality of grain determined by grade and protein tests is of vital importance to buyers and sellers. It is the basis of price settlement between the two. Protein premiums based on tenths of a percent are paid to the producer of high protein wheat. The price is also based on the numerical grade of the grain with discounts for various factors such as shrunken and broken kernels, frost damage, sprout damage and other degrading factors. Other degrading factors include those vital to consumer protection such as: mercury treated wheat; rodent excreta; stones; musty; sour; heating and commercially objectionable foreign odor such as fumigants, pesticing and skunk. Qualified personnel determine this quality in an unbiased manner.

The Great Falls office has personnel stationed at Harlowton, Lewistown and Shelby. The employees at these towns perform official weighing service for the Grain Terminals there. They also officially sample box cars of grain and send the samples to Great Falls for testing.

Montana law provides that a protein test be made of all wheat delivered to a grain warehouseman who shall take a sample from each load of wheat delivered to his warehouse and preserve such sample in an air-tight container with the owner's name thereon. A one pint portion of the composite sample shall be submitted to the State Grain Laboratory at Great Falls or Bozeman and the balance shall be held in the owner's container. All tests determined by the state laboratories retain the right to appeal. Many growers waive this right to state protein test and appeal. The results are obtained by the dealers or warehouseman's own laboratory.

For the fiscal year ending June 30, 1970 there were approximately 20,500 official car inspections; 11,000 submitted samples for a total of 31,500 grade inspections.

During the year there were approximately 17,759 samples taken from railroad car proteins, 24,700 protein samples taken from elevators, etc., for a total of 42,450 protein tests - all without discrepancies.

The workload included 2,500 malting barley analysis and 61 sedimentation tests. Also, 9,000 carloads of grain were officially weighed in and out of the terminals at Great Falls, Shelby, Lewistown and Harlowton, Montana.

OBJECTIVE The Montana Grain Inspection Laboratory at Great Falls is required by law to be self-supporting on a fee basis. Besides being self-supporting, five percent of the gross revenue is deposited to the state general fund. The laboratory at Harlowton was closed October 1, 1969 because the expenditure exceeded the fees. This resulted in a reduction of personnel there from four, including two licensed grain inspectors, to a one-full time sampler-weigher. The grading and protein testing along with the office work involved is now done in Great Falls.





TARGET GROUPS. The protein testing sections of the Great Falls Laboratory and the Laboratory at Montana State University in Bozeman are members of the Pacific Northwest Section of American Association of Cereal Chemists. Such membership gives a check on protein testing procedure by means of a collaborative check sample.

ACHIEVEMENTS Since July 1957, official state weighers stationed at the larger grain terminals at Great Falls, Shelby and Lewistown supervise the weighing of carloads of grain being loaded or unloaded. Official weighing at Harlowton was started in March 1966. These official weights are used in settling loss claims of the elevators against the railroads as well as record of grain marketed.

Mustard seed is also graded at Great Falls under the Montana Mustard Seed Standards established by the Montana legislature for adoption in 1941. These standards have gained world wide acceptance and are the basis of Canadian and other mustard standards.

The 32nd Legislative Assembly approved \$30,000 for a grain inspection building which was erected in the spring of 1952 containing 2600 square feet on the main floor and an unfinished basement of the same size. Since that time, the basement has been finished and the building expanded because of the need for more room necessitated by increased business. The present building has 3,723 square feet on the main floor; 3,198 square feet in the basement; 576 square feet in the garage; total 7,497 square feet. The building is equipped with an automatic sprinkler system for fire protection. This has been paid for by the grain services revolving fund.

To reduce administrative costs and costs of maintaining a plant at Harlowton, Montana; the plant was closed and the workload transferred to the Great Falls Laboratory.

For the fiscal year ending June 30, 1970 there were approximately 20,500 official car inspections, 11,000 submitted samples for a total of 31,500 grade inspections. During the year there were approximately 17,750 car proteins, 24,700 sample proteins, totaling 42,500 protein tests. The workload also included 2,500 malting barley analysis and 61 sedimentation tests. Approximately 9,000 carloads were officially weighed in and out of the terminals at Great Falls, Shelby, Lewistown and Harlowton.

#### FISCAL YEARS

	1967-68	1968-69	1969-70
Costs	\$229,029	\$226,649	\$217,367



## ANALYSIS OF PROGRAMS

### HORTICULTURAL INSPECTION AND QUARANTINE SERVICE

SERVICES PROVIDED The main work load of this Division is as follows:

- (a) Inspection of all fresh fruits and vegetables, both exported and imported.
- (b) Nursery stock inspection, both imported and exported.
- (c) Barberry survey - eradication.
- (d) Cherry fruit fly survey.
- (f) Pine shoot moth survey.

We inspected home grown vegetables (mostly potatoes) grown on approximately 7,5000 acres - totaling 924, 144 cwt. 2,698,316 containers of imported fruits and vegetables were inspected while State Federal Certificates were written on 1,826 carloads of Montana produce for export. 317 State Certificates were written on 18,643 packages of produce.

Nursery stock inspection was carried out on a spot check basis and we found that 1, 165 plants did not meet Montana consumer requirements.

Last year we sold 338 Nursery Licenses and 46 Wholesale Licenses. We issued 103 Phytosanitary Certificates mostly on Christmas trees for export to the Far East.

Barberry eradication in the Bitterroot Valley was carried out by our present staff with no extra appropriation. Two large fruiting bushes were found which if left to increase could easily have infected the entire valley with stem rust.

Some 4,580 miles were traveled in Cherry Fruit Fly eradication enforcement. The present worm free crop attests to the success of this involvement.

OBJECTIVES We will attempt to take advantage of U.S. Government Decentralization programs, i.e. Barberry, Pesticides, grasshopper survey etc. We should be able to work these programs with present resources. The Federal funding for this work will help decrease the amount we must presently receive from the general fund.

It is hopeful that we will be able to start checking all produce imported into Montana for pesticide residue.

We hope to affect more cooperative programs with other agencies as well as utilize more dual role programs within our own Department of Agriculture

ACHIEVEMENTS During the past year several stations; Glasgow, Lewistown and Whitehall were consolidated. This will result in a considerable saving to the Department of Agriculture.

The finding of cheaper - more adequate facilities in Billings and Great Falls, plus cheaper communication, i.e. telephone made a considerable saving to the State.

### FISCAL YEARS

	1967-68	1968-69	1969-70
Costs	\$159,024	\$154,049	\$149,881



## WHEAT RESEARCH AND MARKETING COMMISSION

### ANALYSIS OF PROGRAMS

Services Provided - The purpose of the Montana Wheat Research and Marketing Committee is to sponsor intensive scientific and practical research in all phases of wheat culture and production marketing and use, and in the development of markets for wheat grown in Montana.

Objectives - Obtaining more equitable freight rates for Montana wheat producers is one of the prime objectives of the Montana Wheat Research and Marketing Committee. As a direct result of information obtained from this study, the Montana Lines Committee has proposed a no-frill rate on wheat shipped by rail from eastern Montana to Duluth, Superior and Minneapolis. The proposal is pending at this time and if initiated a savings in freight of \$300,000 to \$500,000 is possible.

We are the third (3) largest wheat producing state in the nation. Among the ten (10) western states we are receiving the least amount of revenue to carry out our program. Our objective is to Revise Section II of Chapter 29, R.C.M. 1947.

Another objective of Montana State University is the work conducted by Dr. J. Allen Taylor. As a result of this project several promising winter wheat varieties are now being evaluated. However, before any new varieties are released from the Montana State University Experiment Station they must undergo intensive quality, yield, disease resistance and other tests.

Fertilizer sales in Montana have shown a tremendous increase in the last 5 years. In 1965, 80,000 tons of commercial fertilizers were applied in Montana. By 1967 this figure had increased to 164,000 tons. Because of this increased interest in fertilizer use it became apparent to the Montana Wheat Research and Marketing Committee that more accurate predictions of crop response to applied fertilizers was needed. The committee is interested in furthering research along these lines and has funded \$16,000 to help develop a more reliable soils test for the state. The work under the direction of Dr. J. B. Sims at Montana State University.

Target Groups - The Montana Wheat Research and Marketing Committee was host to three groups of foreign visitors during the period covered by this report.

Six representatives from flour mills in Japan and the same number from mills in Taiwan visited Montana. The groups visited grain storage both farm and commercial, wheat harvesting and handling methods and bakeries in Montana. The members of these teams were highly impressed with the amount and quality of wheat from our state. They were provided an opportunity to visit with wheat producers, elevator managers and grain merchants.

Visits were made to the State Grain Lab in Great Falls, Montana. Here they were shown the technical aspects of sampling, grading and testing. The members of the teams were made aware of the quality of Montana wheats.

Two members of the Japan Food Agency visited Montana during 1968-69. While here the officials spent time with members of the Montana Wheat Research and Marketing Committee. They learned the production, marketing and transportation aspects of Montana wheats.



Playing host to these visitors from the Asian area provides an effective method for promoting Montana wheat. The members of the trade teams are given an opportunity to learn the many facets of the wheat industry. Contacts are maintained with these visitors after they return to their homelands.

Achievements - Wheat is Montana's most important single cash crop. Cash sales last year amounted to over \$133,000,000. The Montana Wheat Research and Marketing Committee has contributed funds to a research project at M.S.U. to accelerate the winter wheat breeding program, funds contributed totaled \$16,000.00.

The Montana Wheat Research and Marketing Committee cooperated with the Extension Service from Montana State University in sponsoring a traveling marketing seminar to the Pacific Northwest in March, 1969. The purpose of the seminar was to learn more about exporting Montana wheat.

There were 27 wheat producers, representatives from lending agencies, elevator managers and M.S.U. faculty who attended this seminar.

Because more than half of the wheat produced in Montana moves into cash overseas markets, the Montana Wheat Research and Marketing Committee joined Western Wheat Associates, U.S.A. Inc. This organization is sponsored by wheat growers and commissions from Washington, Oregon, Idaho and Nebraska. It helps to develop new markets and expand present markets for wheat overseas. Through this regional organization, the Montana Wheat Research and Marketing Committee is able to combine market development funds with those of other wheat producing states. Thus a world-wide wheat promotion program is possible. Montana wheat producers are represented on the Board of Directors of Western Wheat Associates, U.S.A. Inc, and have a voice in the policies and activities of the association.

.....FISCAL YEARS .....

	1967 - 68	1968 - 69	1969 - 70
Costs....	\$31,495	\$79,271	\$118,088





## ANALYSIS OF PROGRAMS

### WEIGHTS AND MEASURES

**SERVICES PROVIDED** During the fiscal year 1969-70, the following work was performed by the inspectors of the Division of Weights & Measures:

- 6285 Scales were tested, of these 520 were rejected.
- 4327 Retail Pumps were tested and 88 rejected.
- 904 Wholesome Meters were tested and 97 rejected.
- 162 L.P. Gas Meters were tested and 6 rejected.
- 6829 Packages were checked and 1174 rejected.
- 12 Provers were calibrated.
- 10 Dollies were calibrated.
- 26 Measures were calibrated.
- 735 Weights were calibrated.
- 1 Milk Tank was calibrated.
- 1 Weight Cart was calibrated.

Petroleum License Fees deposited.....	\$32,784.00
Regular Scale Fees deposited.....	29,769.00
Special Scale Fees deposited.....	10,956.37
Accounts receivable, regular certificates.....	5,532.25
Accounts receivable, special certificates.....	1,319.25
Miles traveled by inspectors.....	130,493

Personnel also worked at the tare houses of the sugar factories located at Hardin and Billings during the sugar beet campaign. This project was to insure the producers of the proper tare and accurate analyzing of sugar content.

Also several investigations were conducted on pre-packaged commodities at super markets throughout the state.

Investigations were made on complaints relating to short measures by retail gasoline pumps.

Surveys were made on labeling and quantity of feed, fertilizers and lawn care products.

In co-operation with the National Bureau of Standards several surveys were conducted to establish standards of size to reduce the undue proliferation which exists in the super market.

The Division of Weights and Measures is required to inspect and test, to ascertain if they are correct, all the weights and measures as well as all weighing and measuring devices.

It is also the duty of the Division of Weights and Measures to issue a Petroleum Dealers License to all such dealers in the State of Montana.

**OBJECTIVES** A correspondence course will begin January 1, 1971 sponsored by the National Bureau of Standards, to train our inspectors better.

Hopefully a new laboratory will be constructed to house a new standard of mass volume and length valued at about 90 thousand dollars supplied Montana by the Federal Government.

Further study will be done in conjunction with the National Bureau of Standards on computerizing our complete record system. More time must be spent on quantity control of pre-packaged commodities.



The goal for the future is to insure delivery of full weight and measure and elimination of fraud and misrepresentation in all commercial transactions.

ACHIEVEMENTS A special school was held for the Weights and Measures Inspectors which was conducted by a member of the National Bureau of Standards.

Also a weighmasters school was conducted for auction market and packing plant personnel. This school was a joint effort of the Weights and Measures Division and the Packers and Stockyards Division of the Federal Government.

FISCAL YEARS

	1967-68	1968-69	1969-70
Costs	\$106,404	\$113,909	\$122,056



PROGRAM COSTS BY OBJECT OF  
EXPENDITURE AND SOURCE OF FUNDING  
1969-70 FISCAL YEAR

PROGRAM	SUMMARY OF ALL PROGRAMS	
	OBJECT OF EXPENDITURE	
	PERSONAL SERVICES .....	\$ 590,216
	OPERATIONS .....	168,462
	CAPITAL .....	19,672
	GRANTS AND BENEFITS .....	<u>108,675</u>
	TOTAL EXPENDED .....	\$ 887,025
PROGRAM	SOURCE OF FUNDING	
	GENERAL FUND	
	EARMARKED REVENUE FEEDS	37,893
	EARMARKED REVENUE FERTILIZER	30,326
	EARMARKED REVENUE GRAIN	217,367
	FEDERAL & PRIVATE REVENUE	11,360
	REVOLVING - 719200	15,245
	REVOLVING - 719800	118,088
	FEDERAL & PRIVATE GRANT CLEARANCE	<u>40,000</u>
	TOTAL EXPENDED .....	\$ 887,025

PROGRAM	OBJECT OF EXPENDITURE	
	SOURCE OF FUNDING	
	PERSONAL SERVICES .....	
	OPERATIONS .....	
	CAPITAL .....	
	GRANTS AND BENEFITS .....	
	TOTAL EXPENDED .....	
	TOTAL EXPENDED .....	



PROGRAM COSTS BY OBJECT OF  
EXPENDITURE AND SOURCE OF FUNDING  
1969-70 FISCAL YEAR

PROGRAM	ADMINISTRATION	
	OBJECT OF EXPENDITURE	
	PERSONAL SERVICES .....	\$ 58,018
	OPERATIONS .....	14,646
	CAPITAL .....	1,411
	GRANTS AND BENEFITS .....	-0-
	TOTAL EXPENDED .....	<u>\$ 74,075</u>
	SOURCE OF FUNDING	
	GENERAL FUND	74,075
	TOTAL EXPENDED .....	\$ 74,075

PROGRAM	AGRICULTURAL STATISTICS	
	OBJECT OF EXPENDITURE	
	PERSONAL SERVICES .....	\$ 23,856
	OPERATIONS .....	3,279
	CAPITAL .....	-0-
	GRANTS AND BENEFITS .....	-0-
	TOTAL EXPENDED .....	<u>\$ 27,135</u>
	SOURCE OF FUNDING	
	GENERAL FUND	\$ 21,174
	FEDERAL & PRIVATE REVENUE FUND	5,961
	TOTAL EXPENDED .....	<u>\$ 27,135</u>





PROGRAM COSTS BY OBJECT OF  
EXPENDITURE AND SOURCE OF FUNDING  
1969-70 FISCAL YEAR

PROGRAM	COMMERCIAL FEED & FERTILIZER	
	OBJECT OF EXPENDITURE	
	PERSONAL SERVICES .....	\$ 51,462
	OPERATIONS .....	12,885
	CAPITAL .....	3,872
	GRANTS AND BENEFITS .....	-0-
	TOTAL EXPENDED .....	<u>\$ 68,219</u>
	SOURCE OF FUNDING	
	EARMARKED REVENUE FUND	\$ 68,219
	TOTAL EXPENDED .....	\$ 68,219

PROGRAM	DAIRY	
	OBJECT OF EXPENDITURE	
	PERSONAL SERVICES .....	\$ 48,028
	OPERATIONS .....	16,274
	CAPITAL .....	233
	GRANTS AND BENEFITS .....	-0-
	TOTAL EXPENDED .....	<u>\$ 64,535</u>
	SOURCE OF FUNDING	
	GENERAL FUND	\$ 56,776
	FEDERAL & PRIVATE REVENUE FUND	5,399
	REVOLVING ACCOUNT	<u>2,360</u>
	TOTAL EXPENDED .....	\$ 64,535



PROGRAM COSTS BY OBJECT OF  
EXPENDITURE AND SOURCE OF FUNDING

1969-70 FISCAL YEAR

PROGRAM	GRAIN LABORATORIES
OBJECT OF EXPENDITURE	
PERSONAL SERVICES .....	\$ 191,568
OPERATIONS .....	24,375
CAPITAL .....	1,424
GRANTS AND BENEFITS .....	-0-
TOTAL EXPENDED .....	<u>\$ 217,367</u>
SOURCE OF FUNDING	
EARMARKED REVENUE	\$ 217,367
TOTAL EXPENDED .....	\$ 217,367

PROGRAM	HORTICULTURE
OBJECT OF EXPENDITURE	
PERSONAL SERVICES .....	\$ 120,091
OPERATIONS .....	29,790
CAPITAL .....	-0-
GRANTS AND BENEFITS .....	-0-
TOTAL EXPENDED .....	<u>149,881</u>
SOURCE OF FUNDING	
GENERAL FUND	\$ 149,881
TOTAL EXPENDED .....	\$ 149,881



PROGRAM COSTS BY OBJECT OF  
EXPENDITURE AND SOURCE OF FUNDING

1969-70 FISCAL YEAR

PROGRAM	WEIGHTS & MEASURES
OBJECT OF EXPENDITURE	
PERSONAL SERVICES .....	\$ 73,958
OPERATIONS .....	36,542
CAPITAL .....	12,456
GRANTS AND BENEFITS .....	<u>-0-</u>
TOTAL EXPENDED .....	\$ 122,956
SOURCE OF FUNDING	
GENERAL FUND	\$ 110,071
REVOLVING ACCOUNT	<u>12,885</u>
TOTAL EXPENDED .....	\$ 122,956

PROGRAM	WHEAT RESEARCH & MARKETING
OBJECT OF EXPENDITURE	
PERSONAL SERVICES .....	\$ 19,054
OPERATIONS .....	30,091
CAPITAL .....	268
GRANTS AND BENEFITS .....	<u>68,675</u>
TOTAL EXPENDED .....	\$ 118,088
SOURCE OF FUNDING	
REVOLVING - 719800	\$ 118,088
TOTAL EXPENDED .....	\$ 118,088

